

Indefinite-Delivery/Indefinite-Quantity (IDIQ)

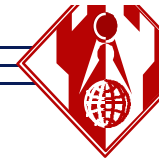
CONTRACTS

*Office of the
Principal Assistant
Responsible for Contracting
29 June 2000*



PURPOSE

To Identify PARC Policies and Procedures When Contracting With IDIQ Type Contract Instruments.



AGENDA

- **What is an IDIQ Contract?**
 - **When Should You Consider Using an IDIQ Contract?**
 - **What Should the IDIQ RFP Contain?**
 - **Small Business Concerns**
 - **Benefits of IDIQs**
 - **Questions**
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What is an IDIQ Contract?

- **A Flexible Contract with Stated Limits;**
- **Provides for an Indefinite Quantity of Supplies or Services Furnished During a Fixed Period of Time;**
- **Deliveries or Performance are Scheduled by Placing Orders with the Contractor;**



What is an IDIQ Contract?

(Cont.)

- **Limits Stated in Terms of Number of Units or Dollars**
 - **Government Must Order a Stated Minimum But, Not Exceed the Stated Maximum;**
 - **Contract May also Specify the Maximum or Minimum Amount per Government Order and Maximum Amount to be Ordered During a Specific Period of Time.**



When Should You Consider Using an IDIQ Contract?

- **The requirement for supplies and/or services is recurring;**
- **But, the exact times and/or exact quantities of future deliveries are not known at the time of contract award.**



What Should the IDIQ RFP Contain?

- **Specify the Limits of Performance**
- **Use a Performance Based Statement of Work**
 - **Purpose of the Effort**
 - **General Scope**
 - **Relevant Geographic Area (ONLY)**
 - **Necessary Bundling (known requirements, ONLY)**
 - **Complexity of the Work: FFP, CPFF, CPAF, CPIF**



What Should the IDIQ RFP Contain (Cont)?

- **Decide on Single or Multiple Awards**
 - **Multiple Awards is Preferred Unless**
 - **Only One Contractor is Uniquely Qualified**
 - **Cost of Administration Out Weighs Benefits**
 - **Total Value of the Award is Less than \$2,500**



What Should the IDIQ RFP Contain?

Specify the Limits of Performance

- **Specify the Period of Performance**
 - e.g. 1 year base with three 1 year options
- **Specify the Minimum and Maximum for:**
 - **Total Contract**
 - **Each Task Order**



What Should the IDIQ RFP Contain?

Performance Based Statement of Work

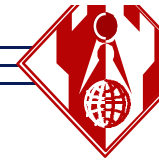
- **Purpose of the Effort**
(What is the end product desired)
- **General Scope of Work**
 - **Covers only geographic area necessary to accomplish the required/described work**
 - **Include only like requirements (same industry/function - SIC code)**



What Should the IDIQ RFP Contain?

Performance Based Statement of Work

- **Type, Complexity of Anticipated Work, and Inherent Risk Determines the Types of Contracts Required (FFP, CPAF, CPIF, etc.)**



FAR PART 16.504 - Indefinite-Quantity Contracts

Para (C) (2) - “Except for indefinite-quantity contracts for advisory and assistance service... the contracting officer shall, to the maximum extent practicable, give preference to making multiple awards of indefinite-quantity contracts under a single solicitation...”



What Should the IDIQ RFP Contain?

Single or Multiple Award Contract?

- **Multiple Awards is Preferred unless:**
 - Only One Contractor is Uniquely Qualified
 - Cost of Administration Out Weights Benefits (Tough Standards)
 - Total Value of the Award is Less than \$2,500
 - More favorable Terms & Conditions with single award
 - So integrally related that only a single contractor can perform
 - Not in Best Interest of Government



What Should the IDIQ RFP Contain?

Single or Multiple Award Contract?

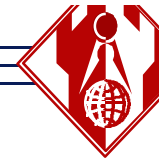
**Each Contractor Must Have a Fair
Opportunity to Receive Each Task
Order**

**(w/o the Fair Opportunity Documented,
the Award May be Considered to be a
Sole Source Procurement)**



SMALL BUSINESS CONCERNS

- **Is Your Contract:**
 - **Too Large for Small Business to be a Prime Contractor?**
 - **Contain Too Many Different Requirements Which Result in the Exclusion of Small Business Competition**
 - **Contain Such a Lengthy Period of Performance That a Growing Firm is Precluded From Later Competition.**



SMALL BUSINESS CONCERNS

- **When Relying on a Subcontracting Plan for Small Business Participation:**
 - **Negotiate, Negotiate, Negotiate!**
 - **Consideration Must be Given to the Type of Work and Whether it is Severable - Don't Blindly Stick in Floors.**
 - **When Using Lengthy Contracts, Relate the Small Business Requirement for Participation (floors) to Changes in Army Policy/Floors.**



SMALL BUSINESS CONCERNS

- **When Relying on a Subcontracting Plan for Small Business Participation (Cont):**
 - **Its Not the Percentage or the Dollar Amount that Counts, It's the Largest Total Contribution to Growing Businesses. (Large Percentage of a Small Amount Is Still a Small Contribution)**
 - **Verify Your Contractor Claims of Compliance.**



SMALL BUSINESS CONCERNS

**Floors are Exactly What They Sound
like... Floors.**

(More is Better)



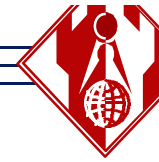
IDIQ Contract Benefits

- **Flexible Contract with Stated Limits**
- **Increased Contracting Efficiency**
 - **Lower Contract Costs**
 - **Lower Proposal Costs**
- **Improved Customer Service**
- **One Door Access to Information**
- **Supports the Division Business Center Concept**



BOTTOM LINE:

**USE THE RIGHT
CONTRACTING TOOL
FOR THE RIGHT JOB!**



QUESTIONS?

OR

WHAT DO YOU WANT THE CORPS TO KNOW?





Internet & Automation

- **USACE Home Page - <http://www.usace.army.mil>**
- **PARC Home Page**
 - Acquisition Information
 - EFARS
 - Links to DA/DOD Policy Documents
- **Automated Contractor Evaluations**
 - SSCASS
- **Electronic Commerce**
 - Solicit and Award Electronically
- **Credit Cards**
 - Purchases Include Micro A/E
 - Payments



Central Contractor Registration (CCR)

- **On- line registration [Http://www.acq.osd.mil/ec/](http://www.acq.osd.mil/ec/)**
 - **Paper form registration may be obtained by calling 1-800-334-3414**
 - **Benefits of CCR include:**
 - **Single place for contractors to register for conducting business with all federal government agencies**
 - **Less time entering contractor information**
 - **Reduces errors and expedites payments using Electronic Data Interchange (EDI)**
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